GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:3789
ANSWERED ON:21.04.2008
EFFECT OF CHINESE EXPORTS ON SERICULTURE SECTOR
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Will the Minister of TEXTILES be pleased to state:

(a) whether Chinese exports are likely to bring down the prices of raw silk affecting India's sericulture sector;

(b) If so, the details thereof; and

(c) the steps taken by the Government in this regard ?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN)

(a) & (b) Yes Sir.During the year 2001-02 there was dumping of cheap Chinese raw silk in the Indian domestic markets. The imported Chinese silk was sold at inexplicably low prices. This severely affected the Indian sericulture industry. During 2001-02 the import of raw silk rose to around 6000 MT from 3800 MT during the previous year. The jump in the imports in quantitative terms was around 65% while the prices declined from 24 US $ to 13.00 US $ per kilogram during the same period. During the year 2001- 02 the Indian cocoon & raw silk prices crashed from Rs.150 & 1500 per Kilogram. to Rs.70/90 & Rs.800/900 per kilogram.

(c) Steps taken by the Government against dumping of cheap silk by China:
Central Silk Board (CSB) in association with the reelers Associations of Karnataka, Tamilnadu & Andhra Pradesh and the state Governments of the above states have filed a case with the Director General of Antidumping and Allied Duties(DGAD), Ministry of Commerce, GOI on 8th July 2002 against dumping of Chinese raw silk into India. After investigations & final findings the DGAD has issued an order on 4th July 2003 imposing antidumping duty on the raw silk imported from China PR. This imposition of antidumping duty has brought certain stability in the Indian silk market. The antidumping duty so imposed was in force till Jan'2008. The sunset review application can be filed by the domestic industry before six months of its expiry for continuation of the duty imposed. The Designated Authority (DGAD) can review the need for the continued imposition of the anti-dumping duty. Such sunset review is done on the basis of request received from an interested party/domestic industry.

Accordingly, CSB in association with various silk Reelers Associations and the State Governments has filed Review Petition during August, 2007 providing all the required documents/evidences for continuation of antidumping duty on Raw silk. The DGAD has considered the request of the domestic industry for Sunset Review by issuing an Initiation Notification on 14th December 2007. Subsequent to the issue of the above Gazette Notification, the Customs Authorities in their Notification No.01/2008-Customs, dated 1st January, 2008 have extended antidumping duty on Chinese raw silk of 2A Grade & below and, the duty imposed will be in force upto and inclusive of 1st January,2009 pending the final findings.